

Asset Disregard Incentive Program for Long Term Care Insurance House File 819

Last Action:
**House Appropriations
Committee**
March 21, 2005

Executive Summary Only

An Act relating to asset disregard under the medical assistance program for the purchase of a certified long-term care insurance policy, providing for a repeal, providing a contingent effective date, and providing an appropriation.

**Fiscal Services Division
Legislative Services Agency**

NOTES ON BILLS AND AMENDMENTS (NOBA)

Available on line at <http://www3.legis.state.ia.us/noba/index.jsp>

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EXECUTIVE SUMMARY

HOUSE FILE 819

NOTES ON BILLS AND AMENDMENTS ASSET DISREGARD FOR LONG TERM CARE INSURANCE

ASSET DISREGARD INCENTIVE PROGRAM

- Establishes a Long-Term Care Asset Disregard Incentive Program to provide an incentive for individuals to purchase long-term care insurance.
- Under current law, individuals must exhaust their resources before qualifying for the Medical Assistance (Medicaid) Program. This Program provides for long-term care insurance plans that allow the individual to retain assets equal to the amount of insurance paid on their behalf, and qualify for Medical Assistance, as long as they meet other income requirements.
- The intent of the Program is to make long-term care insurance more affordable and provide an incentive for individuals to purchase insurance, thereby lowering expenditures in the future in the Medical Assistance Program.
- Directs the Department of Human Services to apply for waivers or State Plan Amendments to implement the Program.
- Directs the Insurance Division to adopt rules to implement the Program and to establish a Program to educate Iowans about the Asset Disregard Program.
- Makes a General Fund appropriation of \$300,000 and 2.0 FTE positions to the Insurance Division for Program operations and the educational Program.
- Savings to the Medical Assistance Program cannot be determined and would not occur in the short-term.

DEPARTMENT OF HUMAN SERVICES

INSURANCE DIVISION

FISCAL IMPACT